



# House of Representatives

## File No. 544

General Assembly

January Session, 2007

**(Reprint of File No. 102)**

Substitute House Bill No. 7142  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
April 20, 2007

### **AN ACT CONCERNING FARM WINERIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 30-16 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) A manufacturer permit shall allow the manufacture of alcoholic  
4 liquor and the storage, bottling and wholesale distribution and sale of  
5 alcoholic liquor manufactured or bottled to permittees in this state and  
6 without the state as may be permitted by law; but no such permit shall  
7 be granted unless the place or the plan of the place of manufacture has  
8 received the approval of the Department of Consumer Protection. A  
9 holder of a manufacturer permit may apply for and shall receive an  
10 out-of-state shipper's permit for manufacturing plants and warehouse  
11 locations outside the state owned by such manufacturer or a  
12 subsidiary corporation thereof, at least eighty-five per cent of the  
13 voting stock of which is owned by such manufacturer, to bring into  
14 any of its plants or warehouses in the state alcoholic liquors for  
15 reprocessing, repackaging, reshipment or sale either (1) within the

16 state to wholesaler permittees not owned or controlled by such  
17 manufacturer, or (2) outside the state. A holder of a manufacturer  
18 permit, except a manufacturer permit for cider, may apply for and  
19 shall receive a wholesaler permit. The annual fee for a manufacturer  
20 permit shall be one thousand six hundred dollars.

21 (b) A manufacturer permit for beer shall be in all respects the same  
22 as a manufacturer permit, except that the scope of operations of the  
23 holder shall be limited to beer, but shall permit the storage of beer in  
24 any part of the state. Such permit shall also authorize the offering and  
25 tasting, on the premises of the permittee, of free samples of beer  
26 brewed on such premises and the selling at retail from the premises of  
27 sealed bottles or other sealed containers of such beer for consumption  
28 off the premises. The offering and tasting shall be limited to visitors  
29 who have attended a tour of the premises of the permittee. Such selling  
30 at retail from the premises of sealed bottles or other sealed containers  
31 shall comply with the provisions of subsection (d) of section 30-91 and  
32 shall permit not more than eight liters of beer to be sold to any person  
33 on any day on which such sale is authorized under the provisions of  
34 subsection (d) of section 30-91. The annual fee for a manufacturer  
35 permit for beer shall be eight hundred dollars.

36 (c) A manufacturer permit for cider not exceeding six per cent  
37 alcohol by volume and apple wine not exceeding fifteen per cent  
38 alcohol by volume shall allow the manufacture, storage, bottling and  
39 wholesale distribution and sale at retail of such cider and apple wine  
40 to permittees and nonpermittees in this state as may be permitted by  
41 law; but no such permit shall be issued unless the place or the plan of  
42 the place of manufacture has received the approval of the department.  
43 The annual fee for a manufacturer permit for cider shall be one  
44 hundred sixty dollars.

45 (d) A manufacturer permit for apple brandy and eau-de-vie shall be  
46 in all respects the same as a manufacturer permit, except that the scope  
47 of operations of the holder shall be limited to apple brandy or eau-de-  
48 vie, or both. The annual fee for a manufacturer permit for apple

49 brandy and eau-de-vie shall be three hundred twenty dollars.

50 (e) (1) A manufacturer permit for a farm winery shall be in all  
51 respects the same as a manufacturer permit, except that the scope of  
52 operations of the holder shall be limited to wine and brandies distilled  
53 from grape products or other fruit products, including grappa and  
54 eau-de-vie. As used in this section, "farm winery" means any place or  
55 premises, located on a farm in the state in which wine is manufactured  
56 and sold.

57 (2) Such permit shall authorize (A) the sale in bulk by the holder  
58 thereof from the premises where the products are manufactured  
59 pursuant to such permit; (B) as to a manufacturer who produces one  
60 hundred thousand gallons of wine or less per year, the sale and  
61 shipment by the holder thereof to a retailer of wine manufactured by  
62 the farm winery permittee in the original sealed containers of not more  
63 than fifteen gallons per container; (C) the sale and shipment by the  
64 holder thereof of wine manufactured by the farm winery permittee to  
65 persons outside the state; (D) the offering and tasting of free samples  
66 of such wine or brandy to visitors and prospective retail customers for  
67 consumption on the premises of the farm winery permittee; (E) the sale  
68 at retail from the premises of sealed bottles or other sealed containers  
69 of such wine or brandy for consumption off the premises; (F) the sale  
70 at retail from the premises of wine or brandy by the glass and bottle to  
71 visitors on the premises of the farm winery permittee for consumption  
72 on the premises; and (G) subject to the provisions of subdivision (3) of  
73 this subsection, the sale and delivery or shipment of wine  
74 manufactured by the permittee directly to a consumer in this state.  
75 Notwithstanding the provisions of subparagraphs (D), (E) and (F) of  
76 this subdivision, a town may, by ordinance or zoning regulation,  
77 prohibit any such offering, tasting or selling at retail at premises within  
78 such town for which a manufacturer permit for a farm winery has been  
79 issued. Notwithstanding the provisions of subparagraphs (B), (C) and  
80 (G) of this subdivision, a farm winery permittee shall not sell off-  
81 premises more than one hundred thousand gallons of wine per year  
82 manufactured by such permittee to retailers. Any wine manufactured

83 and sold off-premises by such permittee in excess of one hundred  
84 thousand gallons per year shall be sold by such permittee to a holder  
85 of a permit authorized pursuant to section 30-17.

86 (3) A permittee, when selling and shipping wine directly to a  
87 consumer in this state, shall: (A) Ensure that the shipping labels on all  
88 containers of wine shipped directly to a consumer in this state  
89 conspicuously state the following: "CONTAINS ALCOHOL—  
90 SIGNATURE OF A PERSON AGE 21 OR OLDER REQUIRED FOR  
91 DELIVERY"; (B) obtain the signature of a person age twenty-one or  
92 older at the address prior to delivery, after requiring the signer to  
93 demonstrate that he or she is age twenty-one or older by providing a  
94 valid motor vehicle operator's license or a valid identity card described  
95 in section 1-1h; (C) not ship more than five gallons of wine in any  
96 sixty-day period to any person in this state; (D) pay, to the Department  
97 of Revenue Services, all sales taxes and alcoholic beverage taxes due  
98 under chapters 219 and 220 on sales of wine to consumers in this state,  
99 and file, with said department, all sales tax returns and alcoholic  
100 beverage tax returns relating to such sales; (E) report to the  
101 Department of Consumer Protection a separate and complete record of  
102 all sales and shipments to consumers in the state, on a ledger sheet or  
103 similar form which readily presents a chronological account of such  
104 permittee's dealings with each such consumer; (F) not ship to any  
105 address in the state where the sale of alcoholic liquor is prohibited by  
106 local option pursuant to section 30-9; and (G) hold an in-state  
107 transporter's permit pursuant to section 30-19f or make any such  
108 shipment through the use of a person who holds such an in-state  
109 transporter's permit.

110 (4) No licensed farm winery may sell any such wine or brandy not  
111 manufactured by such winery, except a licensed farm winery may sell  
112 from the premises wine manufactured by another farm winery located  
113 in this state.

114 (5) The farm winery permittee shall produce on [the premises of the  
115 farm winery or on] property [adjacent to and under the same

116 ownership and control of said permittee] located within [the] this state  
117 an average crop of fruit equal to not less than twenty-five per cent of  
118 the fruit used in the manufacture of the farm winery permittee's wine.  
119 An average crop shall be defined each year as the average yield of the  
120 farm winery permittee's two largest annual crops out of the preceding  
121 five years, except that during the first seven years from the date of  
122 issuance of a farm winery permit, an average crop shall be defined as  
123 three tons of grapes for each acre of vineyard farmed by the farm  
124 winery permittee.

125 (6) A holder of a manufacturer permit for a farm winery, when  
126 advertising or offering wine for direct shipment to a consumer in this  
127 state via the Internet or any other on-line computer network, shall  
128 clearly and conspicuously state such liquor permit number in its  
129 advertising.

130 (7) The annual fee for a manufacturer permit for a farm winery shall  
131 be two hundred forty dollars.

132 (f) A manufacturer permit for a brew pub shall allow the  
133 manufacture, storage and bottling of beer, the retail sale of alcoholic  
134 liquor to be consumed on the premises with or without the sale of  
135 food, and the selling at retail from the premises of sealed bottles or  
136 other sealed containers of beer brewed on such premises for  
137 consumption off the premises, provided that the holder of a  
138 manufacturer permit for a brew pub produces at least five thousand  
139 gallons of beer on the premises annually. Such selling at retail from the  
140 premises of sealed bottles or other sealed containers shall comply with  
141 the provisions of subsection (d) of section 30-91 and shall permit not  
142 more than eight liters of beer to be sold to any person on any day on  
143 which such sale is authorized under the provisions of subsection (d) of  
144 section 30-91. The annual fee for a manufacturer permit for a brew pub  
145 shall be two hundred forty dollars.

146 Sec. 2. Section 30-18 of the general statutes is repealed and the  
147 following is substituted in lieu thereof (*Effective from passage*):

148 (a) An out-of-state shipper's permit for alcoholic liquor other than  
149 beer shall allow the sale of such alcoholic liquor to manufacturer and  
150 wholesaler permittees in this state as permitted by law and, as to any  
151 out-of-state shipper operating a farm winery who produces not more  
152 than one hundred thousand gallons of wine per year, the sale and  
153 shipment by the holder thereof to a retailer of wine manufactured by  
154 such permittee on the permitted premises in the original sealed  
155 containers of not more than fifteen gallons per container. The permit  
156 premises of an out-of-state shipper's permit for alcoholic liquor may be  
157 located within this state or outside this state. The annual fee for an out-  
158 of-state shipper's permit for alcoholic liquor other than beer shall be  
159 forty-five dollars for a Connecticut manufacturer or wholesaler  
160 holding such a permit and shall be one thousand dollars for any other  
161 person holding such a permit. For purposes of this subsection, "farm  
162 winery" means any place or premises, located on a farm in which wine  
163 is manufactured and sold, provided not less than twenty-five per cent  
164 of the fruit used in the manufacture of such wine is produced on [such  
165 farm] property located within the state in which such farm is located.

166 (b) Subject to the provisions of this subsection, an out-of-state  
167 shipper's permit for alcoholic liquor other than beer shall allow the sale  
168 and delivery or shipment of wine manufactured by the permittee on  
169 the permitted premises directly to a consumer in this state. Such  
170 permittee, when selling and shipping wine directly to a consumer in  
171 this state, shall: (1) Ensure that the shipping labels on all containers of  
172 wine shipped directly to a consumer in this state conspicuously state  
173 the following: "CONTAINS ALCOHOL—SIGNATURE OF A PERSON  
174 AGE 21 OR OLDER REQUIRED FOR DELIVERY"; (2) obtain the  
175 signature of a person age twenty-one or older at the address prior to  
176 delivery, after requiring the signer to demonstrate that he or she is age  
177 twenty-one or older by providing a valid motor vehicle operator's  
178 license or a valid identity card described in section 1-1h; (3) not ship  
179 more than five gallons of wine in any sixty-day period to any person in  
180 this state and not ship any wine until such permittee is registered, with  
181 respect to the permittee's sales of wine to consumers in this state, for

182 purposes of the taxes imposed under chapters 219 and 220, with the  
183 Department of Revenue Services; (4) pay, to the Department of  
184 Revenue Services, all sales taxes and alcoholic beverage taxes due  
185 under chapters 219 and 220 on sales of wine to consumers in this state,  
186 and file, with said department, all sales tax returns and alcoholic  
187 beverage tax returns relating to such sales, with the amount of such  
188 taxes to be calculated as if the sale were in this state at the location  
189 where delivery is made; (5) report to the Department of Consumer  
190 Protection a separate and complete record of all sales and shipments to  
191 consumers in the state, on a ledger sheet or similar form which readily  
192 presents a chronological account of such permittee's dealings with  
193 each such consumer; (6) permit the Department of Consumer  
194 Protection and Department of Revenue Services, separately or jointly,  
195 to perform an audit of the permittee's records upon request; (7) not  
196 ship to any address in the state where the sale of alcoholic liquor is  
197 prohibited by local option pursuant to section 30-9; (8) hold an in-state  
198 transporter's permit pursuant to section 30-19f or make any such  
199 shipment through the use of a person who holds such an in-state  
200 transporter's permit; and (9) execute a written consent to the  
201 jurisdiction of this state, its agencies and instrumentalities and the  
202 courts of this state concerning the enforcement of this section and any  
203 related laws, rules, or regulations, including, but not limited to, tax  
204 laws, rules or regulations.

205 (c) The Department of Consumer Protection, in consultation with  
206 the Department of Revenue Services, may adopt regulations, in  
207 accordance with the provisions of chapter 54, to assure compliance  
208 with the provisions of subsection (b) of this section.

209 (d) A holder of an out-of-state shipper's permit for alcoholic liquor  
210 other than beer, when advertising or offering wine for direct shipment  
211 to a consumer in this state via the Internet or any other on-line  
212 computer network, shall clearly and conspicuously state such liquor  
213 permit number in its advertising.

214 (e) (1) For purposes of chapter 219, the holder of an out-of-state

215 shipper's permit for alcoholic liquor other than beer, when shipping  
216 wine directly to a consumer in this state, shall be deemed to be a  
217 retailer engaged in business in this state, as defined in chapter 219, and  
218 shall be required to be issued a seller's permit pursuant to chapter 219.

219 (2) For purposes of chapter 220, the holder of an out-of-state  
220 shipper's permit for alcoholic liquor other than beer, when shipping  
221 wine directly to a consumer in this state, shall be deemed to be a  
222 distributor as defined in chapter 220 and shall be required to be  
223 licensed pursuant to chapter 220.

224 (f) As used in this section, "out-of-state" means any state other than  
225 Connecticut, any territory or possession of the United States, the  
226 District of Columbia or the Commonwealth of Puerto Rico, but does  
227 not include any foreign country.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	30-16
Sec. 2	<i>from passage</i>	30-18



The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

---

**OFA Fiscal Note**

**State Impact:** None

**Municipal Impact:** None

**Explanation**

The bill requires a farm winery to produce a certain percentage of grapes to be grown anywhere within the state, and limits the number of gallons that may be sold to retailers without holding a wholesaler permit. There is no fiscal impact.

House "A" strikes the underlying bill and the associated potential minimal revenue gain related to the fee for owners of leased property.

**The Out Years**

**State Impact:** None

**Municipal Impact:** None

---

**OLR Bill Analysis****sHB 7142 (as amended by House "A")\******AN ACT CONCERNING FARM WINERIES.*****SUMMARY:**

The law requires a farm winery, as a condition for obtaining and holding its liquor permit, to produce an average crop of fruit at least equal to 25% of the fruit used to make its wine. Currently, the fruit may be grown on its property or on property adjacent to it and under its ownership and control. This bill allows the fruit to be grown anywhere in the state. It makes a comparable change for an out-of-state winery by allowing such a winery to obtain at least 25% of the fruit it uses from anywhere in the state in which the winery is located, rather than just on its farm.

The bill limits to 100,000 gallons per year the amount of bottled wine an in-state farm winery may sell to retailers, to persons outside of the state, and directly to persons in the state. It requires any amount over 100,000 gallons per year to be sold to a holder of a wholesaler permit.

\*House Amendment "A" replaces the original bill (File 102), which would have allowed in-state farm wineries to produce grapes on adjacent property.

EFFECTIVE DATE: Upon passage

**COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea     19     Nay   0     (03/06/2007)